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MONOPOLIES AND TRUSTS.

MONOPOLIES AND TRUSTS. By Richard T. Ely, Ph.D., LL.D., Professor of Political Economy and Director of the School of Economics, Political Science, and History in the University of Wisconsin. Macmillan. New York. 1900.

DR. ELY has already contributed much to the scientific study of the subjects discussed in the present volume. In his well-known work entitled "Problems of To-Day," published originally in a Southern newspaper some dozen years ago, he furnished the public with many original views and did much to popularize the study of political economy throughout the United States. Indeed it is scarcely an exaggeration to say that no one has done more than Dr. Ely to awaken general interest in economics on the part of Americans. And in the field of monopoly Dr. Ely may well claim priority for more than one theory that now finds pretty general acceptance, whilst he has already published much valuable material regarding corporate development. The present volume is part of a comprehensive treatise on "*The Distribution of Wealth*," which he has been engaged upon for the past seven years, and while the manual before us is the first number in a citizens' library of economics, politics, and sociology, it in nowise sacrifices the interests of science to popularity.

This latest work from the pen of Dr. Ely is composed of six chapters, the first of which deals with "The Idea of Monopoly." After briefly reviewing the many and often conflicting conceptions of monopolies to be found in the writings of economists, our author wisely concludes that "a satisfactory discussion of monopoly must be based on a more restricted idea of monopoly." In his opinion, therefore, monopoly, as opposed to competition, sacrifices "unity in management of some kinds of business in some essential particulars. It may be in production, it may be in sales, or it may be in purchases, or it may be in any two or all three of these particulars." This use of the term monopoly has the advantage of clearness, and it will enable one the more readily to understand the following definition given by Dr. Ely: "*Monopoly means that substantial unity of action on the part of*

one or more persons engaged in some kind of business which gives exclusive control, more particularly, although not solely with respect to price.'" Our author then sketches briefly the various legal restrictions placed upon monopolies in England and the United States, but we do not think he sufficiently recognizes the reaction against this restrictive policy both in England and America, where monopolies were often allowed when the public interest was unaffected thereby.

The second chapter of this book gives "The Classification and Causes of Monopoly." After having first pointed out the distinction between public and private monopolies, Dr. Ely gives another classification and further divides monopolies into social and natural ones. Under the former are included patents, copyrights, public consumption monopolies, trade-marks, and fiscal monopolies; whilst natural monopolies include such as arise from a limited supply of raw material, those arising from properties inherent in the business, and those arising from secrecy.

While recognizing the large size of the field which by force of circumstances belongs to monopoly, Dr. Ely gives us the hopeful assurance that, outside of this field, we have another in which, under right conditions, competition is a permanent force. Most readers of this volume will probably find Chapters V. and VI. by far the most interesting and suggestive. In the former chapter the concentration of production and the growth of trusts are treated in a conservative, scholarly manner. This tendency is rightly ascribed to the introduction of improved machinery and the steady increase of capital, and while our author appears to admit that the "trust movement" is in the nature of an industrial evolution, he also regards it as a speculative movement. There are two points, however, which he, in our opinion, is disposed to ignore. We refer, in the first place, to the fact that, of all modern machinery, one of the best and most far-reaching kinds in its influence is the trust. Curiously enough, moreover, many of the objections that a century or more ago were urged against labor-saving machinery are now urged against trusts. The same iconoclastic spirit which then

terrorized parts of England now and then lifts up its head in this country. The spirit that last century wanted to destroy the jenny, the mule, and the engine now clamors for the smashing of the trust. Secondly, Dr. Ely lays little stress, we think, on the point so well emphasized by Dr. Sherwood—namely, the influence exerted on corporate growth by the genius and mercantile foresight of the entrepreneur.

Dr. Ely does not believe there is any trust problem. He carefully diagnoses the situation and draws attention to an evident confusion of thought on the subject. Instead of a trust problem we frequently have (*a*) a monopoly problem; (*b*) a problem of industrial concentration, (*c*) a problem of wealth concentration. He is inclined to think that the cure for the monopoly evil is public ownership if the monopoly be a natural one.

In treating of this branch of the subject he says: "The evidence of the rapid shifting of public opinion manifested at the Chicago Trust Conference was most remarkable, and was to the author a great surprise. When, less than fifteen years ago, he began urging the superior advantages of public ownership and management of these monopolies, he found comparatively little sympathy. During the period that has intervened, however, there has been such a change in sentiment on the part of others—coupled, perhaps, with a slight lessening of ardor on his own part—that at Chicago he found himself standing among those who would be regarded as the conservative element, while those who have figured as opponents of governmental activity were predicting that we would have government ownership of railways sooner than the writer can anticipate." This rapid trend of public sentiment toward collectivism is one of the most remarkable signs of the times.

There are practically but two alternatives: we must have either public control of private property or public property with public management. Perhaps the most conspicuous failure of the first alternative is the Interstate Commerce Commission. It is questionable whether such control is possible under a democratic government, particularly one with a

vicious system of civil service. Other remedies are the invocation of the taxing power, a stricter law of inheritance, a reform of the tariff by removal of duties from commodities monopolized, and finally the reformation of corporation law.

Dr. Ely's volume represents the scholarly investigations of one of our most accomplished political economists in a field of absorbing interest and importance to students of social evolution throughout the world, but of especial value are his deductions and suggestions to American citizens, to whom the rapid concentration of wealth at home and our widening markets abroad present problems of deep significance to the republic.

B. J. R.

TOLSTOY'S "RESURRECTION."

RESURRECTION. A novel by Leo Tolstoy, author of "Anna Karénina," "War and Peace," etc. Translated by Mrs. Louise Maude. With illustrations by Pasternak. New York: Dodd, Mead & Company. 1900. pp. xii, 519.

For some months items relating to Count Tolstoy's new novel have been appearing in the daily press. We have known about its fortunes in a popular American magazine and at the hands of the Russian censors. It is therefore a pleasure to be at last able to peruse it in a translation authorized by Count Tolstoy, and said to give us the uncurtailed story. It is quite evidently a faithful version, although obviously not made by a master of English; and, if the publishers might have spared us the flaunting yellow and red cover, they nevertheless deserve congratulations for their enterprise in securing a novel which ought to rank as the greatest of the season, if not of the decade.

This is not to say that we consider "Resurrection" to be equal as a work of art to "Anna Karénina" or "War and Peace." The story does not impress us so powerfully by its psychological analysis and the portrayal of the central character as the former novel did years ago; nor has it the epic sweep of the latter novel. Still it is quite possible for a great genius like Count Tolstoy to fall behind his former successes and yet distance his latter-day competitors.